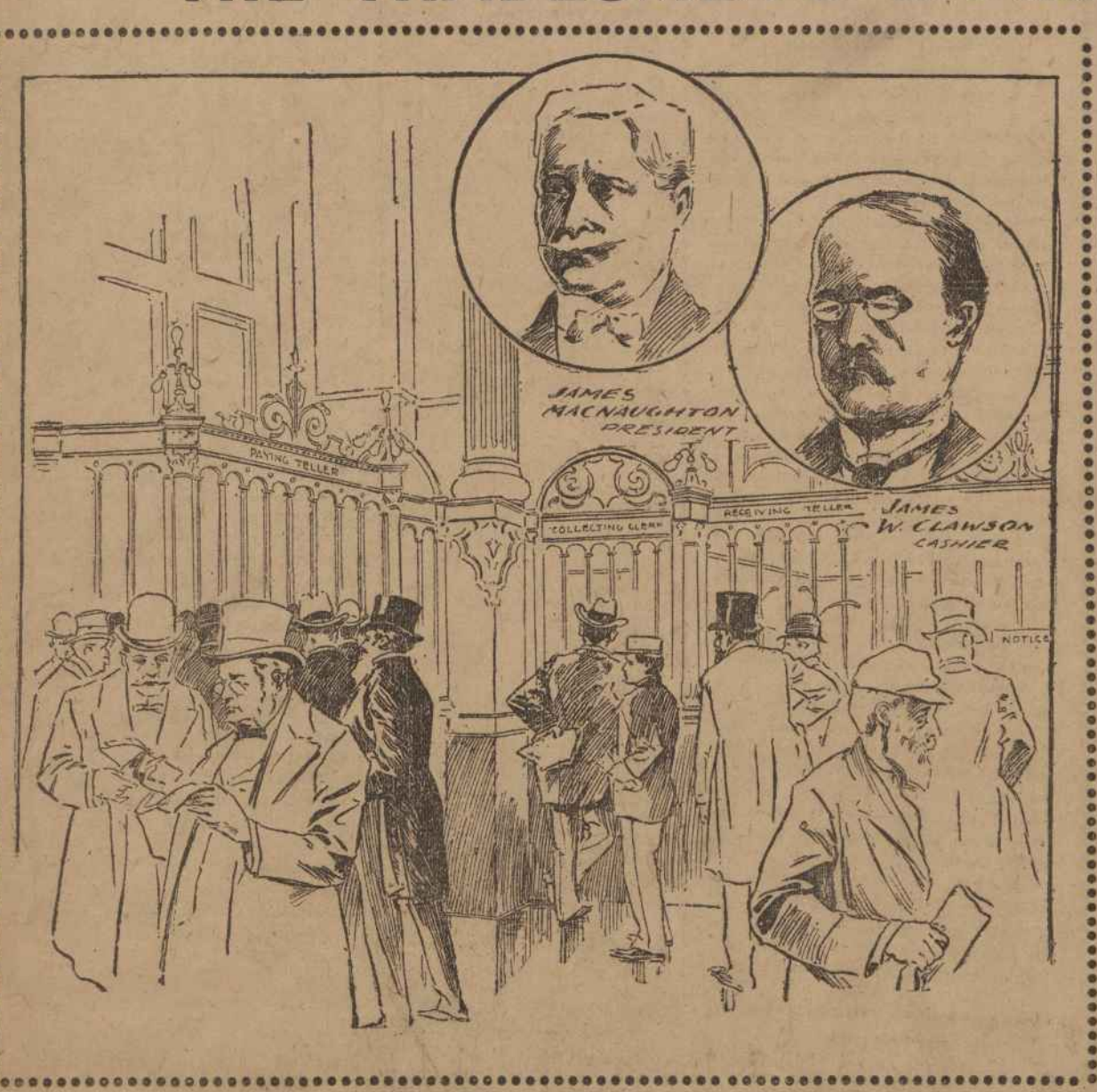


# FAMILY TIES THROTTLED THE TRADESMEN'S BANK.



Scene in the Defunct Tradesmen's Bank.

National Bank Examiner Kimball took charge of the bank yesterday because of a report from a committee of the Clearing House which examined the books and found many transactions which they regarded as strange, especially in the way of loans to concerns in which James MacNaughton, president of the bank, and his relatives were interested.

## Issued Loans to Concerns Which President MacNaughton and His Family Financed.

**FAILURES SEEM TO FOLLOW MACNAUGHTONS.**

This table shows how President James MacNaughton, of the Tradesmen's National Bank, and his brother, William MacNaughton, are connected with many institutions, three of which have failed: Tradesmen's National Bank, President, James MacNaughton, failed. Wool Exchange, President, Allan MacNaughton, failed. New York Wool Warehouse Company, President, William MacNaughton, failed. Wool Record Publishing Company, run by the MacNaughtons, failed.

THE Tradesmen's National Bank, one of the oldest financial institutions in the city, closed its doors yesterday. Upon the request of a committee from the Clearing House, William H. Kimball, national bank examiner, was placed in charge. The directors of the bank have issued a statement to depositors that they will be paid in full. This is considered to be very doubtful and it is said that examination of the books will show many peculiar transactions that may involve a scandal.

For three years, ever since James MacNaughton was placed at its head, ugly rumors have been spread about the conduct of the Tradesmen's Bank. These rumors became more persistent in the last few days, and on Monday afternoon the Clearing House Committee decided to visit the bank and examine into its condition. The committee consisted of Frederick D. Tappan, chairman, president of the Gallatin National Bank; J. Edward Simmons, president of the Clearing House Association and of the Fourth National Bank; Robert M. Gallaway, president of the Merchants' National Bank; James Stillman, president of the National City Bank, and W. A. Nash, president of the Corn Exchange Bank.

These were accompanied by President E. H. Perkins, Jr., of the Importers' & Traders' National Bank; William Sherer, manager of the Clearing House, and W. D. Gilpin, assistant manager of the Clearing House.

As a result of the examination this dispatch was sent to Washington on Monday night:

Hon. Charles D. Jones, Comptroller of the Currency, Washington, D. C.: The committee found the capital of the Tradesmen's National Bank of this city, and in their opinion the capital of the bank largely impaired, and it should be placed in liquidation.

P. D. TAPPAN, Chairman.

**Clearance Refused.**

The Clearing House committee refused to allow the Tradesmen's to clear through it yesterday, and upon a dispatch from the Comptroller of the Currency, National Bank Examiner William H. Kimball took charge of the bank and posted this notice on the doors:

This bank is closed pending official examination.

Frederick D. Tappan, chairman of the committee, said yesterday: "The committee found the capital of the Tradesmen's greatly impaired, and it was the unanimous decision that it would be unwise to allow it to continue doing business."

Mr. Tappan was asked: "Was the capital impaired as much as \$300,000?"

"Yes, fully that," he answered.

"Did the committee find evidences of fraud?"

Mr. Tappan hesitated. "Not of direct fraud," was all that he would say in reply.

### THE CONDITION OF THE BANK.

Official statement of the Tradesmen's National Bank, compiled at the Clearing House, September 20, 1898:

Liabilities.	
Capital	\$750,000
Net profits	128,100
Circulation	175,000
Due banks	983,000
Due other depositors	1,963,100
Unpaid dividends	800
Total	\$3,954,800
Resources.	
Loans and discounts	\$2,000,400
United States bonds to secure circulation	200,000
Other stocks, bonds and mortgages	480,700
Real estate, furniture and fixtures	196,800
Due from banks	385,000
Cash items and bank notes	41,500
Specie	371,400
Legal tenders	186,900
Overdrafts	1,500
Total	\$3,954,800

Mr. Sherer, manager of the Clearing House, when asked why the committee took the action it did on Monday, said:

"For some time past we have received anxious inquiries as to the standing of the Tradesmen's and we were aware of the rumors of its condition. Its deposits began falling off and the committee decided that it was time to act. We investigated the books and what we found there warranted our suspicions and induced us to telegraph the state of affairs to Washington. The case demanded immediate action."

"Did you discover fraud?" Mr. Sherer was asked.

"No, I can't say that we did," Mr. Sherer replied. "But the committee found that the deposits were paid in full or in great part."

"No, I should be unwilling to say that."

"It was not until yesterday morning that depositors knew that the crisis had come. Many came to the bank prepared to deposit money only to be met by Mr. Kimball, who told them of the failure and pointed to the notice on the door. A crowd collected in the corridors of the Wool Exchange Building, in which the bank is, and upon the sidewalks, and there were many who talked bitterly against the officers of the Tradesmen's."

**Depositors Were Prepared.**

Policemen were called to prevent trouble, and watchmen with night sticks were stationed at the door. There was no serious trouble. The heaviest depositors had been suspicious for many weeks, and those who had not withdrawn their money were in

# DEATH RAIN IN FIERCE GALE.

Southern Coast Swept by a Terrific Hurricane.

Lives Lost and Great Damage to Property at Savannah.

ENTIRE CITY UNDER WATER.

Great Waves Rush Up from the Ocean and Carry Away Wharves and Buildings.

7 MEN LOST WITH SCHOONER.

Big Craft Succumbs to the Force of the Storm—Rail and Telegraph Communication Broken.

Savannah, Ga., Oct. 4.—Reports from the terrific northeast gale which swept the Atlantic coast from here to Fernandina on Sunday are beginning to come from sections along the way with a story of death and devastation.

Not since the fearful storm of 1893 has there been such widespread destruction of property and injury to crops in the country bordering on the coast. The gale that swept over Savannah dealt destruction to both Brunswick and Fernandina, Fla.

It is estimated the losses at Brunswick will be in the neighborhood of \$300,000, while no definite estimate has yet been received from Fernandina. In both places among the poorer classes it is believed the loss of life is great.

Owing to the destruction of telephone and telegraph connections, as well as the railway lines to Brunswick, Fernandina and other points, reports have been slow getting back. The only way was by breaking through the inundated country, taking refuge there to Baxley, Ga., where operators tapped the wires and established communication with the outside world.

**Gale Gave Its Own Warning.**

About 4 o'clock Sunday morning the wind began blowing with terrific energy, sweeping the seas into the basins of inland streams. With the rising tide the wind increased in velocity, whipping limbs from trees, demolishing weak structures and giving warning of the destruction to follow. Soon the velocity of the wind was about seventy miles an hour, and by dark water was knee deep in the business section, people were scattering to places of safety in all directions. Most of them went into the upper stories of houses, taking refuge there while their belongings on the floor below were floating away in the flood. At the Mallory & Southern Railroad warehouses water stood three feet for blocks in every direction.

The greatest damage was in the business section. When about 10 o'clock the city of the largest business houses suffered the greatest by water. Several churches were badly damaged. The storm lasted about fifteen hours, during part of which time the city was pent in by the high waters.

Every wharf in Fernandina was swept away. The steam tug Gladstone was dry at the foot of Centre street, where the city wharf used to be, and is a total wreck. The wrecking tug North America, with the three-masted schooner J. E. Latham, is high and dry in the marsh in front of the railroad shops, 100 yards from high water mark.

**Two Children Lost.**

The only deaths reported at this time are two boys, one of seven years old and a baby of eight months. The family to which they belonged consisted of father, mother and three children, and lived in a small house near the water front, which was swept away.

At Old Town the Catholic, Episcopal and United Methodist churches were badly wrecked. Old Town is in a sorry plight, and unless assistance is obtainable soon some loss of life is likely to occur from exposure. All the small boats belonging to the Government and pilots are gone. The crocodile works were destroyed and the Florida Central & Peninsular Railroad is badly damaged. All the railroad tracks in front of the city were washed away, and of the fifty box cars on the tracks of the Florida Central & Peninsular road when the storm broke, not one remains whole. The whole town is strewn with lumber and debris.

All of the coastwise steamships which were bound for Savannah arrived in port during the day. The City of Macon got here in the evening, the City of Augusta at 2 p. m., the Essex, of the Baltimore line, and the Kansas City last night. The Essex was twenty-four hours overdue.

Much damage was done to the interests between here and Jacksonville. Mr. J. A. Crawford, of Cranford, Henderson & Co., who came in from Valparaiso yesterday, reports that between Way Cross and Jessup there were ample evidences in the shape of fallen trees of the severity of the gale. Many boxed trees are believed to have been blown down. Locally the damage to the naval stores trade is comparatively small, while the Central Railroad naval stores yards escaped without injury; those of the Plant system were not so fortunate.

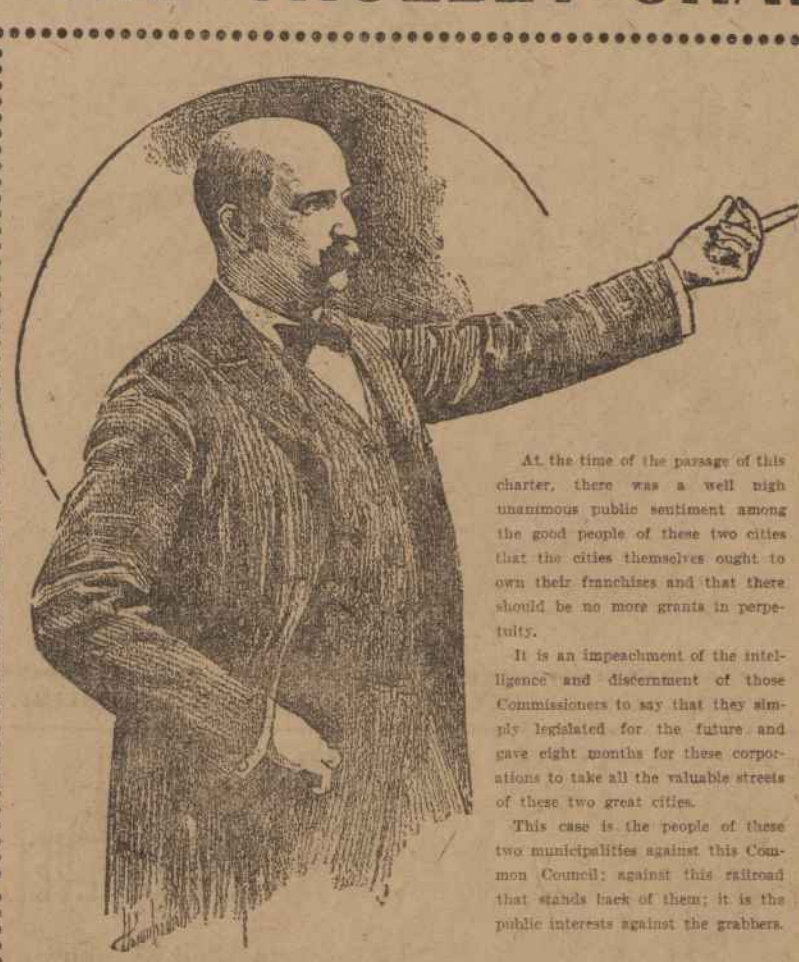
**Seven Lost on a Schooner.**

Charleston, S. C., Oct. 4.—The four-masted schooner Sarah E. Palmer, captained by Whittier, with phosphate rock from Charlotte Harbor to Carteret, N. J., was lost Sunday morning off St. John's Inlet, seven miles south of Charleston.

The Palmer ran into the storm off the Bahamas and sprang a leak when five days out on a reefing plank. The captain was washed away three times, finally sinking. The negroes were washed ashore at Elsie Island and brought to Charleston this morning. Besides the captain, six men were washed overboard, the wreck washing on the beach.

The Palmer was one of the largest schooners in the coasting trade and was a collier for the Government in Guantanamo Bay.

# COURT OF APPEALS NAILS UP THE TROLLEY GRAB'S COFFIN.



David B. Hill Arguing Against the Grab.

The former Senator appeared before Justice Van Wyck as counsel for the Journal and made the principal argument against allowing the trolley roads to grab the streets of the city.

Journal and Van Wyck Killed It, Now It Is Buried.

The People's Victory Confirmed by the Highest Court in the State.

NO RESURRECTION FOR IT.

David B. Hill's Speech in Great Measure Won the Signal Triumph.

A GREAT STEAL PREVENTED.

Brooklyn City Fathers Gave Away in Their Last Hours Franchises That Were Worth Fifteen Millions.

Another was added yesterday to the long and growing list of services the Journal has rendered the taxpayers of this city. The Brooklyn trolley grab was buried, never to be resurrected. The victory was practically won last December, when Justice Van Wyck, now the Democratic candidate for Governor, held that the power of the Brooklyn Common Council to grant franchises in perpetuity ceased with the passage of the charter on May 4, 1897, and made permanent an injunction secured by the Journal to prevent the City Fathers of Brooklyn from giving away to the trolley magnates what amounted to \$10,000,000 of the people's money. But the ways of the law are devious, and it was not until the Court of Appeals, from the decision of which there is no appeal, confirmed the sound decision of Justice Van Wyck, that the trolley magnates were rendered abortive.

The magnitude of this victory for the people justifies space in which to review the fight which the Journal won, ably aided by the high legal knowledge of Justice Van Wyck and by the learning and energy of David B. Hill, and the firm of Elstein & Townsend, represented in this case by M. S. Gutterman.

The Common Council of the City of Brooklyn met on the afternoon of November 29, 1897. It had but one month to live, and with true Aldermanic conception of the interests of the people who had elected its members, proceeded to give away the equivalent of millions of dollars to corporations.

**Gave Away Many Millions.**

Within two hours that afternoon this aggregation of high-minded municipal patriots granted a franchise giving, in perpetuity, the use of more than forty miles of Brooklyn streets, now already occupied by street railway tracks, to the East River & Atlantic Ocean Railroad Company; a franchise in perpetuity to the Flatbush Gas Company, of the Twenty-ninth Ward, to extend its gas mains to all parts of the city; a franchise in perpetuity to the same corporation to engage in the business of furnishing power for electric lighting purposes in all parts of the city, and a franchise to the Municipal Electric Lighting Company, then confined to the Eastern District, to extend its wires to all parts of the city.

A matter of value of \$13,000,000 was tied up in these franchises, and all the high-minded patriots reserved for the city of Brooklyn was 3 per cent of the gross receipts of the trolley company and its promise to sell six tickets for twenty-five cents. A howl of protest went up from Brooklyn the next day, but the Councilmen and corporations were undisturbed. They figured that the new charter would wipe Brooklyn out of existence, but they were not to be deterred by the traditional apathy of the taxpayer. But they did not figure on the Journal.

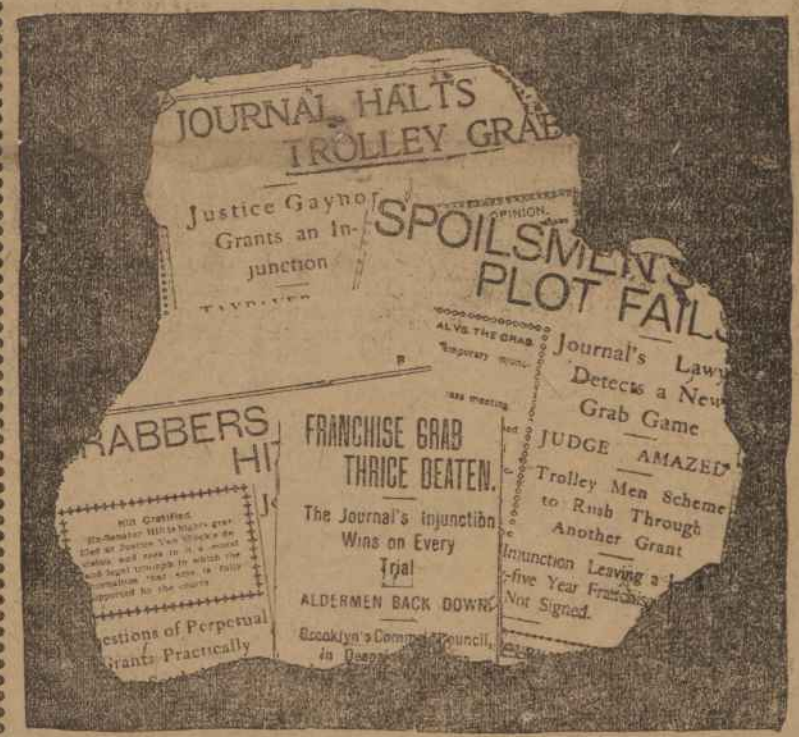
On December 1 the Journal went to work. Max Blachko, an employee of this paper and a resident of Brooklyn, wrote an application for an injunction restraining Mayor Wurster, of Brooklyn, from signing or approving the resolution granting the franchise to the East River & Atlantic Ocean Railroad Company, and further restraining the Common Council from passing the resolution over the Mayor's veto. This application was presented by M. S. Gutterman to Supreme Court Justice William J. Gaynor, who granted a temporary injunction. Notice of the injunction was served the same night on David S. Stewart, president of the Board of Aldermen, and on Mayor Wurster.

**The Journal's Mass Meeting.**

Following this, the Journal arranged a mass meeting at the Criterion Theatre, Fulton street and Grand avenue, Brooklyn, to protest against the action of the Common Council. The Journal furnished the hall and the music, the people furnished the rest. Mr. Dunn spoke, and a large number of speakers gathered at the meeting place. Resolutions appropriate to the occasion were adopted, and speeches were made by such sterling citizens as Charles Frederick Adams, General Horatio King, Otto Kemper, former Mayor R. B. O'Day, J. Lindsay Gordon, John A. Quinlan, A. B. Cruikshank and A. J. Wolff.

In the meantime it was known that Mayor Wurster was opposed to the franchise and would veto it. He so informed P. H. Flynn, president and promoter of the East River & Atlantic Ocean Railway Company, who, with characteristic modesty, called on him to ask him what he was going to do. It was understood all along that Mayor Wurster was hostile to the grab and the Journal injunction applied to him only in so far as it prevented the grabbers from passing the resolution over his head.

In order to have the best legal talent to cope against the cunning of the corporation lawyers, the Journal engaged former Senator David B. Hill as counsel. Senator Hill entered into the case enthusiastically. He studied the charter carefully and gave



Headlines from the Journal, Showing How It Fought Against the Grab.

## OCTOBER HEAT THAT OF SUMMER.

Mercury at 80 in Emory's Tower.

Humidity Went the Limit, 100.

Two Such October 4ths in Twenty-five Years.

The weather of yesterday is almost unparalleled in the whole record of weather, for the same time of the year, since formal record of heat and moisture first began in New York city.

On only two corresponding days within many years has the heat been so severe as it was yesterday. On October 4, 1884, the mercury reached 81, and on October 4, 1891, the record was 83. Aside from these two days, both of which were at their times hottest—or executed—as phenomenal and infernal, yesterday was by all odds the hottest and dampest of any October day New York has known for more than a quarter of a century.

The congestion of weather, so to speak, which has been noticeable for days past, the constantly increasing cloudiness and breathlessness, reached its climax yesterday morning. Early morning gave promise of what the day would be. The throngs of people bound workward showed the depressing effect of it. The listlessness and discomfort were general.

The air was thick with mist, which even at that early hour was like warm steam fill-

ing up through a sidewalk grating.

As the forenoon wore on, the heat and humidity grew. Garments were damp almost to dripping. The sidewalks were wet as they are after light rain. Energy abandoned everybody. Business dragged and tempers were sadly frayed at the edges.

The humidity was 100, which means that the air was as full of moisture as it will hold and still continue to pass muster as air. This same figure had been recorded on Monday morning.

All through business hours the city and its people steamed and fumed. The thermometer tender in the weather top announced that the temperature was at 80, even at his distinguished altitude. There were several degrees of difference between that and the close, stifling streets, where people who, trusting to some consistency in the weather, had donned heavy flannels and dared not remove them, toiled about their various occupations and sweat and mopped and swore.

And to crown it all there came rain, such rain exactly as fell on the worried and straining soldiers who fought under, or rather, ahead of Shafter in Cuba.

When the heat and moisture were at their worst, at about 4 o'clock, the mist changed into a sprinkle. The dull lead color of the sky grew deeper. There was one deep flash of lightning, the first and last, and with the roar which followed the dense fog fell. It lasted fifteen minutes, and the rain gauges said half an inch of water had fallen over everything. It cleared the streets of people and saved McCartney's men many a push of the broom, but it did not lower the mercury four degrees, and last night the East Side, suffered as it does in July and August.

Local Weather Forecaster Emory and his records and instruments are soon to move from the tower of the Manhattan Life Building to the roof of the American Surety Company's building. Mr. Emory's predecessor as local weather prophet, Mr. Dunn, has a measure for the new location. He declares that New York will buy adulterated weather, full of steam and hot air, but entirely inappropriate in weather supposed to be pure and unadulterated. Mr. Dunn speaks of exhaust pipes, spouting steam and a large vent yielding hot air on the roof of the Surety Company's building. These are to be the sources of pollution of the weather.

Mr. Dunn does not say how much these weather adulterators will interfere with a supply of pure records, but the suggestion is that while Mr. Emory is enjoining the temperature 92 and the humidity 84, people on the sidewalks will be wearing goggles to keep from slipping on the ice and putting kerchiefs over their noses to keep out the dry cold.

Mr. Emory smiles at the fears of his predecessor. He says that the weather will be even purer than the present weather supplied from the Manhattan Life Building.

Continued on Sixth Page.